

THE MINUTES OF THE WARRANT COMMITTEE MEETING April 10, 2002

Vice-Chairman Widmer called the meeting to order at 7:38 PM.

Members absent : P. Bruschi, W. Flewelling, D. Hobbs, and W. Hofmann

Also present: Town Administrator Melvin Kleckner, Capital Budget Committee Member Scott Stratford, Director of Finance and Administration Dr. Gerry Missal, Treasurer Susan Kendall Freiner, Town Meeting Member Jonathan Green, Town Moderator Henry Hall, and Selectman Paul Solomon

Discussion of FY2003 Budget and Town Meeting

Vice Chairman Widmer asked the Committee for their thoughts regarding Article 22 on Inclusionary Zoning. Member Heigham informed the Committee it's only financial impact would be if there ever was McLean type construction in the Uplands, there would have be a fee for \$2/sq. foot for fees more than \$5,000. This money is designated for affordable housing, not the general budget. He advised the Committee the Planning Board is in favor of this Article. Member Heigham responded to Member Curtis regarding how it would look favorable to the State if Belmont had an Inclusionary-zoning bylaw.

Member Hilgenberg questioned if Article 13 regarding funding of the Town Hall Complex would be taken up on the first night or two of Town Meeting. Selectman Brownsberger responded yes and gave a tentative schedule of Town Meeting Articles discussion:

- Major capital items and actual budget in May
- April 29th of the Annual Town Meeting is the budget resolution discussion

Selectman Brownsberger informed the Committee of Chairman Bruschi's suggestion for putting the McLean tax capacity on each Budget Option presented to Town Meeting. Selectman Brownsberger decided to take borrowing "off the table" regarding the Budget Options. He presented the updated Budget Options:

- No override level but with McLean tax capacity similar to the Town Administrator's recommendation with a little shaved off capital items.
- A \$2 million override with McLean tax capacity.
- A \$4 million override with McLean tax capacity similar to the level service budget.

Mr. Kleckner passed out a spreadsheet with the previous budget options along with the current budget options. A copy is on file with the Clerk.

Member Schafer questioned the timing of all the mechanisms involving the override and if it passes. Member Oates agreed with the way things are being presented to the voters and reiterated concern regarding the timing of the budget process. Member Curtis also agreed with the budget presentation format.

Member Clark informed the Committee the Capital Budget Committee has not come to a decision regarding selection of a budget option or if the Capital Budget Committee should be recommending an option. His concern is the Capital Budget Committee will not think that any one of these options that reduces the capital budget appropriation but maintains/funds the current operating budget is a good idea. Mr. Kleckner stated that Option 2 and 3 keep the capital budget at the current level.

Member Oates questioned at what point is the Town's bond rating threatened with borrowing? Member Clark stated Treasurer Fay had informed the Capital Budget Committee that as long as the Town keeps the reserves up and does not sacrifice operating money for capital, then as long as the voters approved the borrowing, it should not affect the bond rating. Mr. Hall informed the Committee the end of year fund balance, also called Free Cash, should be at least 5% of the operating budget, and that is what the bond rating company looks at.

Vice Chairman Widmer clarified the different levels of override. Are \$0, \$2 million and \$4 million enough levels? Does there need to be more? Member Schafer believes there are enough options. Mr. Green said that if you ask the Town for a \$4 million and just get a level service budget, the Town might get "ornery." However, if a \$5 million was offered, saying the remaining would be used for roads, for example, it may go through easier. Member Hilgenberg stated the Committee needs to find a level of services the Town can support, then listed the pipeline of large projects that are expected in the next few years (Fire Stations, Wellington School, and possibly the Senior Center). Since the Town will be asking for overrides/borrowings in the near future, then to ask for more than the Town needs may not be best thing or timing right now.

Member McCormick disagreed with Mr. White's notion of the marketing of the override. He offered the reason the Committee is here is to give some financial advice and show people the Committee knows what to do in hard times. He suggested the Committee make a recommendation of one of the options for Town Meeting. Member Curtis thinks bringing the three options to Town Meeting is the way to go.

Mr. Hall discussed timing of the override. Thirty-five days are required to give notice to the Town Clerk of an election (notice is expected to be given on April 29th), which brings the timing until June 4th. Then, the Town has to be prepared if it fails. Everything must be completed by June 23rd. It is getting very tight as far as the timing of everything.

Selectman Brownsberger discussed the reason the financial information would be discussed on the 29th was due to getting the materials printed and getting it to the Members a week before the discussion (on the 22nd). It would be very difficult to get the financial information out much earlier.

Vice Chairman Widmer questioned having the discussion five days earlier. Mr. Hall responded the reason for tight timing was for the 35-day rule of the election. Selectman Brownsberger clarified if the two budgets are passed subject to the override, then the additional Town Meeting is not necessary.

Dr. Missal spoke on the timetable's impact on the Schools. His concern is if the override fails. Procedurally, he questioned if the Board of Selectmen reconsider borrowing if the override fails? Selectman Brownsberger responded that he would not borrow money for services the Town clearly does not want if the override fails. Member Curtis responded

that Town Meeting would be informed regarding which services will be cut or reinstated with each option, and therefore whatever is decided by Town Meeting is the will of the Members. Member Schafer offered a solution to reduce some of the School's capital section and use it to reinstate some personnel in the School's operating if necessary.

Member Oates wondered at what point is the design money for the fire stations, of at least \$1 million, come into discussion? Selectman Brownsberger responded that might be possible to put it on for the April 29th discussion. Member Oates informed the Committee that Brett Donham (Architect for the Fire Stations) and the Fire Station Committee was under the impression a presentation would be done in May. She questioned if they should be prepared on April 29th instead? Selectman Brownsberger suggested they be prepared for an April presentation because it would get things moving forward.

Member Heigham would like to avoid capital items in April. It would distract from getting the operating override. Mr. Kleckner asked the Committee if he should recommend to the Board of Selectmen to take up the Town Hall Complex at the first two nights of Town Meeting. Member Hilgenberg agreed as being a member of the Town Hall Complex Building Committee. Mr. Hall suggested the Town Hall Complex be discussed on the 1st or 2nd night of Town Meeting since it does not pertain to the operating budget.

Mr. Kleckner identified some articles for the 1st phase of Town Meeting:

- Town's legal interests
- School/Town consolidation
- Financial Management bylaw
- Town Clerk fees
- Noise bylaw
- Inclusionary zoning
- Composition of Board of Selectmen
- Quarterly reporting
- Special Town Meeting (starting 2nd night)

Member Schafer is concerned the Town will have a split decision of \$2 million and \$4 million. What would happen? Would both go on the ballot? Or does the Town decide to force a decision and pick one? Member Clark responded that he would prefer to get Town Meeting to decide on one. Member Oates suggested a percentage support feature of getting a non-binding vote from Town Meeting, so a resident voting at the election would have some idea of how Town Meeting went.

The Committee discussed having three votes: \$0, \$2 million override, and a \$4 million override. Member Curtis suggested putting to Town Meeting: "here's the level of services with: no override, a \$2 million override, and a \$4 million override. Which do you want?" Member Schafer offered having three votes and having a roll call vote so that Members only get to vote "Yes" once.

Mr. Kleckner informed the Committee the Town Meeting Warrant has gone to press, and he indicated on the Warrant the Warrant Committee would be handing out a separate report regarding the Articles. Mr. Kleckner also indicated that resolutions would be presented under Article 4.

Mr. Stratford asked if the Board of Selectmen's intent is to have a "mega-meeting" on May 1st. Selectman Brownsberger answered yes.

Selectman Solomon wants to make sure everyone knows the tax implications on each version of an override. He also would like to prepare Town Meeting for possible future overrides. Vice Chairman Widmer responded by saying the April 29th discussion's purpose was to frame those issues. Member White informed the Committee a revised financial projection is currently being worked on.

Vice Chairman Widmer clarified the three pieces handed out to Town Meeting are:

- An overview of the problem the FY2003 problem as well as the "big picture."
- A 5-year financial projection, which would amplify the context of the "big picture."
- A description of the three budget options with some backup of what level of services for which budget option, with impact for both the Town and Schools.

Member Curtis would like to see the possible structural changes discussed by the Warrant Committee. Member Schafer brought up what should the level of detail be that is given to Town Meeting. Discussion ensued with the Committee about the level of teachers that should be given to Town Meeting (saying 2 elementary and 4 high school vs. saying 6 teachers). Dr. Missal believes it is also important to discuss what is not being restored at each level as well.

The Committee discussed who should work on the Committee's Report. Vice Chairman Widmer, Member Curtis and Chairman Brusch will be working on getting the Warrant Committee Report done. Mr. Kleckner will need the Report by Friday the 19th.

Mr. Stratford questioned if the Capital Budget Committee should take a position on a recommendation for April 29th. Member Oates offered the Monday, April 22nd or 29th at the Committee meeting before Town Meeting as the time to vote on these positions. Member Clark agreed, and he went further to say the Capital Budget Committee should have a recommendation as well at that time. Member Heigham stated that it is also under the bylaws that the Warrant Committee "shall" have a recommendation since this is a fiscal topic. Member White agreed.

Member Hilgenberg requested from Treasurer Freiner a spreadsheet regarding the tax implications of each option in time for the Warrant Committee vote. Next Tuesday, the Board of Selectmen will work on the middle option to make it clearer for the Committee. Mr. Stratford requested the Board of Selectmen and Warrant Committee to keep the Capital Budget Committee informed on the progress of this process. Member Clark suggested asking the Capital Budget Committee to have a concurrent meeting with the Warrant Committee next Wednesday.

Member Miller asked where in this budget option mix is the Capital? Mr. Kleckner responded saying they will reorganize the spreadsheets by categories.

Vice Chairman Widmer summarized the night's discussion:

- The Board of Selectmen meet on Tuesday to flesh out the options, especially the middle option.
- The Board of Selectmen working with Mr. Kleckner and Mr. Hall will get together what is being presented to Town meeting.

- The Warrant Committee will discuss this further next week along with an overview document, a 5-year financial projection, and the three options with both Town and School ramifications, including a tax impact spreadsheet.

Next week, Vice Chairman Widmer discussed part of the meeting will be on non-budget Article votes and part will be a continuation of tonight's discussion.

Acceptance of Minutes

1. Member Heigham made a motion, Member Oates seconded said motion, and it was unanimously voted to accept the minutes of March 27, 2002.

2. Member Oates made a motion, Member Heigham seconded said motion, and it was unanimously voted to accept the minutes of April 3, 2002.

Member Heigham made a motion, and it was unanimously voted to adjourn the meeting at 9:32 PM.

Respectfully submitted,

Kristina E. Frizzell
Interim Recording Clerk